Product Oversight & Governance (POG) Decision Register

Product Name	Comprehensive Project Insurance
Insurer / Product Manufacturer	Great American International Insurance (UK) Ltd
Co-Manufacturer	N/A
Completion date	27th February 2025
Date of next review	February 2026

Product Approval Process	
Has the complexity of the product been considered?	Yes - the product complexity has been considered and it is tailored for customers (the Employer and/or the Contractor) involved in construction projects.
Is there sufficient information on the product for customers and is it readily available?	Yes – the schedule is clearly laid out with all key information and the policy wordings, summary and IPID (for Consumers) is provided at both quotation and policy issuance stages.
What is the nature of the product and the risk of consumer detriment related to it?	Our cover is designed to help protect both Employers and Contractors against property and financial losses they may face at a construction project. It is a policy that is well-suited for projects ranging from small refurbishment projects to skyscrapers. This is a tried and tested product specifically tailored for construction risks and as such, the risk of consumer harm is low.
What are the main characteristics and features of the insurance product?	Construction is a complex business. The risks are numerous and varied. Risk may be due to the human factor (for example, workmanship, design failure or the construction process itself), the environment and the close proximity of different firms' employees on site. Subject to the various conditions and exclusions, our cover is designed to help protect both Employers and Contractors against property and financial losses they may face at a construction project. This product provides insurance cover against physical damage to contract works and contractor’s plant and equipment that the Insured either owns, or they have a contractual liability for. If a construction project suffers damage or materials are stolen and they have a responsibility for the loss, GAUK will pay to reinstate the works. If plant and equipment is either stolen or damaged, GAUK will pay to repair or replace the item.

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What does the insurance cover?	Our product is intended to cover physical damage to construction works (building and civil engineering), as well as the installation and operation of machinery. Standard cover is provided in respect of physical loss or damage contract works (permanent and temporary) including free issue materials: • whilst in transit (other than by sea or air) including any associated loading and unloading • whilst on the contract site until the issue of a certificate of completion or until taken over by the Employer • which is first revealed during the maintenance or defects liability period not exceeding 12 months after completion In addition, optional cover can be provided for: • Existing structures: physical loss or damage to existing structures at the contract site • Owned plant: physical loss or damage to contractors' plant owned by you • Hired in plant: your legal liability in respect of physical loss or damage to contractors' plant hired in by you • Terrorism: damage caused by a Certified Act of Terrorism (certified as such by HM Treasury) • Delay in Start-Up (continued bank interest payments in the project is delayed) • Third Party Liability and Non-negligent Indemnity
What does the insurance NOT cover?	Our product is provided on an 'All Risks' basis and as such, the main exclusions are standard market exclusions such as: • Consequential loss, fines and penalties • Corrosion and general wear and tear • Property insured which is in a defective condition due to a defect in design, plan, specification, materials or workmanship • Inherent defects in existing structures (if insured) • Communicable disease • Cyber loss • Nuclear hazard • War risks • Pollution or contamination • Damage to contract works which is of a prototypical or experimental nature
Are there any restrictions on cover?	The main conditions under our policy are: **Joint Code of Practice**: You shall undertake to comply with the Joint Code of Practice on the Protection from Fire on Construction Sites and Buildings Undergoing Renovation. This Condition shall apply if the contract value is £2,500,000 or more. For the purpose of the Code, if the contract value exceeds £20,000,000, it shall be deemed to be a large project. **Cessation of work**: In the event of stoppage of work at the contract site for a period of 90 consecutive days cover under this Section shall be suspended unless agreed by us in writing. In the event of such total or partial cessation of work you shall use due diligence and do all things reasonably practicable to protect the property insured. **Water supply systems condition**: where the contract works involve the installation of a new water supply system or the alteration of any existing water supply system, including the replacement repair or maintenance of any apparatus within the system, then you must carry out pressure tests and inspections as fully detailed in this condition in the policy.
Where can further information about the policy terms be found?	The Policy Wording, Policy Summary and IPID.

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Who is the target market?	Primarily for commercial customers who are involved in construction projects. This could be the Employer who is having the works undertaken or the Contractor who is carrying out the works. Cover is also occasionally provided to consumers who have work undertaken on their private dwelling – a personalised IPID is provided for these customers.
What are the potential risks posed to the identified target market and how will these be managed?	The potential risks are minimal as the product is designed to be a high-quality market wording; including covers like DSU which are not readily available in standard wordings nor extensions such as: 1. Additional cost of completing unbuilt works and additional cost of working 2. Contract period extension 3. Cost of leak search 4. Reduction of environment impact The product has been in the market for a number of years with GAUK and we have received no complaints or requests from Brokers to enhance our cover, with conversion rates supporting this.
Who is this product not suitable for?	The product is suitable for most UK based construction projects, however the following risks are considered outside of appetite and therefore may not provide fair value: • Basement dig outs under existing structures • High value single block timber frame construction • Large renovation of listed buildings • Projects where value is biased toward existing structures (possible exception where non-combustible)
What reasonable steps will be taken to ensure that the product is distributed to the identified target market?	We only deal with regulated UK insurance intermediaries that have been approved by the GAUK Commercial Director and Head of Line. Due diligence is completed by Risk and Compliance prior to any TOBA being issued. We exercise appropriate oversight over the operation of the TOBA to ensure that our intermediaries operate within the limits and guidelines agreed with them, including regular audit.

Vulnerable Customers	
Are there likely to be any Vulnerable Customers to the product?	GAUK believes that the identification and treatment of vulnerable customers is integral to its core values, organisational culture and business objectives. GAUK promotes the fair treatment of all customers. As such we have a specific Vulnerable Customers Process document and as part of our Product Risk Vulnerability section, the likelihood of us encountering a Vulnerable Customer is ‘rare’.
What are the potential risks posed to Vulnerable Customers and how will these be managed?	Given the high standard of our products and the fact that they are only distributed through regulated professional Insurance brokers (who act on their client’s behalf and can explain the content on accordingly if the client is having difficulty understanding), the risk is low. However, we will maintain awareness of any clients who the Broker indicates may be vulnerable, are in financial distress or if they are/were non-domiciled in the UK and English could be their second language.

Product Testing	
Has the product been appropriately tested, including scenario analyses where relevant, before bringing it to market, significantly adapting it, or if the target market has significantly changed? Also, does the product over its lifetime meets the identified needs, objectives, and characteristics of the target market?	The product has been available in the market for over 50 years and was commissioned for Great American by our Underwriters and Head of Line who had over 100 years combined experience in this type of insurance. Great American Insurance has been underwriting Construction Insurance (CAR) for over 5 years, and in GAUK since set up in 2019. Historically, the industry has demanded from the insurance market a wider form of cover than would normally have been available for a standard non-construction property exposure. CAR insurance can be traced back as early as the 1930's, with policies issued in the marine or goods in transit departments which were accustomed to providing 'all risks' cover rather than the then customary fire and specified perils protection. Our product was commissioned to be a high-quality market wording; including covers like DSU which are not readily available in standard wordings nor extensions such as: 1. Additional cost of completing unbuilt works and additional cost of working 2. Contract period extension 3. Cost of leak search 4. Reduction of environment impact Sales data and the monitoring of sales methodologies throughout the lifecycle of this product is managed by GAUK's Head of Construction. For business written by GAUK direct with Brokers, we review monthly performance data including conversion, retention and cancellations. Our complaints procedure is detailed in the product with all complaints made direct to GAUK. Complaints are managed internally, and complaint levels are reported in GAUK's FCA complaints data returns.

Distribution Strategy	
What are the intended distribution channels and are these appropriate for the target market?	Our Comprehensive Single Project product has been designed for distribution by regulated UK insurance intermediaries only that have been approved by the GAUK Commercial Director and Head of Line. Due diligence is completed by Risk and Compliance prior to any TOBA being issued. This product should be sold with the active assistance and guidance of an Insurance Intermediary to select the appropriate level of cover. This product should not be sold directly to customers without this assistance. We expect all distributors in the chain to consider the following when selling our products: • Additional commission, fees or charges added as part of distribution processes must be proportionate to the service provided, in line with those charged elsewhere, and not affect the overall value offered by the product. • Distributors must ensure there is no duplication of cover as a result of any add-on products sold, where appropriate cover is already provided by the policy. • Distributors must provide a complete and comprehensive market presentation
Is all appropriate information on the product, approval process and the identified target market made available to distributors so they can understand the identified target market and be able to identify any customers for whom the product is not suitable?	Yes – as well as providing a policy summary, we also offer product training to all our Producers. We provide a questionnaire to assist with obtaining the correct information to enable us to underwrite the risk.

Pricing and Remuneration	
Is the pricing clear and transparent to end customers and others in the chain?	Yes - the pricing is clear and shown on the initial quotation document and the policy schedule.
How will we ensure we continue to operate fair pricing practices for this product?	Our pricing is within the market norm, which is driven by a highly competitive market place with numerous Brokers and Insurers competing for the same business. As mentioned previously, there are significant exposures relating to construction business which this products protects the Insured against, ranging from small frequency losses such as leaking pipes to large severity losses such as fire. The product is deemed to provide good outcomes for the customer as it protects them against a wide range of exposures at a competitive price driven by the highly competitive market.
Does the commission splits agreed between Insurers / Underwriters / Brokers bear proportionate resemblance to the work being done for the client?	Commissions have been reviewed and the levels are commensurate with the services provided, and in accordance with our terms of business and the level of commission is in line with market proximate commission levels.
Are Insurers / Underwriters / Brokers making additional money through fees, charges, and premium finance arrangements?	A fee may be charged depending on complexity of risk and time spent – this is shown on the policy document.

Product Value	
Is everyone in the distribution chain providing ultimate value to the end consumer?	Our February 2025 assessment has concluded that our Comprehensive Single Project product, including its charging and distribution structure, is compatible with the needs, objectives and characteristics of the target market and provides fair value. Our product value assessment is based on the premium we charge for the cover and the services we provide. In addition to the identified needs, characteristics (including vulnerabilities) and objectives of the target market we take a wide range of other factors into consideration, such as historical and expected claims frequencies, incurred and projected claims costs, complaints analysis, comparison exercises with competing products, scenario analysis and customer and TOBA holder feedback. The product is subject to ongoing monitoring and formal periodic review by us as the sole manufacturer. Where a significant adaptation to the product is proposed, it is reviewed and, where appropriate, approved prior to the adapted product being marketed or distributed to customers.
Does the product in question provide value to end customers both now, for the foreseeable future i.e. policy term, and at potential future renewals? If not, what further actions are required?	Yes and to ensure the customer receives fair value for this product, care must be taken to ensure no duplicate cover exists or is caused by an add-on where that cover is already provided by the policy. Commission, fees, or charges passed onto the customer must be proportionate to the service provided and provide fair value. The distributors should ensure that the sums insured are adequate for the risk insured.

Monitoring / Ongoing Review	
How will the product be continuously monitored and regularly reviewed, and who by?	Our monitoring will occur on an ongoing basis and will result in a report to the Board at least annually which will cover Product Governance, Fair Value & Consumer Duty. Sales data and the monitoring of sales methodologies throughout the lifecycle of this product is managed by GAUK's Head of Construction. For business written by GAUK direct with Brokers, we review monthly performance data including conversion, retention and cancellations. For business written via our MGA's they record the same information on a monthly basis and report to us for review quarterly. Claims complaints data, and the monitoring of claims regarding this product is managed by GAUK's Claims Manager.

Conflicts of Interest	
Do you foresee any Conflicts of Interest?	There have not been any conflicts of interest identified.

Data Monitoring & Collection - Distribution

PRODUCT PERFORMANCE MEASURES	EXPLANATION
Customers total	Total of all policies in force at month end
Vulnerable customers total	Total of all vulnerable customers at month end
Quotes by policy count	Total number of all quotes given in the month
Sales by policy count	Total number of all sales in the month
Conversion of quotes to sales %	% Number of sales versus number of quotes given
Cancellations within 14 days (cause list required)	The number of policies cancelled within 14 days
Mid-term cancellations (cause list required)	The number of policies cancelling mid-term in the month
Retention rate %	The % of policies renewed versus invited
Distribution complaints (list required)	The number of complaints received in the month in respect to distribution

Data Monitoring & Collection - Claims

PRODUCT PERFORMANCE MEASURES	EXPLANATION
New claims received	The number of claims made in the month
Total outstanding claims (not paid)	The number of claims outstanding at month end
Total paid claims	The number of claims paid in the month
Average number of days to settle claim	The average time to settle claims
Longest outstanding claim (days)	The oldest outstanding claim
Number of claims declined (cause list required)	The number of claim declinatures along with list of reasons
Claims complaints (list required)	The number of complaints received in the month in respect to claims

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